

QUANTUM DYNAMIC BOND FUND

An Open Ended Dynamic Debt Scheme Investing Across Duration

Fact Sheet as on 30-Apr-2021

Fund Size as on (Rs. in crores) 30-Apr-2021	Absolute AUM
DIRECT PLAN GROWTH OPTION	74.2692
DIRECT PLAN MONTHLY DIVIDEND OPTION	0.5416
REGULAR PLAN GROWTH OPTION	2.6367
REGULAR PLAN MONTHLY DIVIDEND OPTION	0.0073
Total	77.4548

Net Asset Value as on 30-Apr-2021 (Rs./Unit)

Net Asset Value as on 30-Apr-2021	NAV
DIRECT PLAN GROWTH OPTION	16.4865
DIRECT PLAN MONTHLY DIVIDEND OPTION	10.2814
REGULAR PLAN GROWTH OPTION	16.4116
REGULAR PLAN MONTHLY DIVIDEND OPTION	10.3667

Weighted Average Maturity

No of years

At the end of the week

3.73

Modified Duration

2.96

Name of Instrument	Rating	Residual Maturity (in days)	Market Value (Rs Lakhs)	% to Net Asset
DEBT INSTRUMENTS				
A. Listed/awaiting listing on Stock Exchanges				
i. Non-Convertible debentures / Bonds				
1. 6.4% NABARD Sr 20K NCD (MD 31/07/2023)	ICRA AAA	822	516.17	6.66%
Total of NCD			516.17	6.66%
ii. Government Securities				
1. 6.97% GOI (MD 06/09/2026)	Sovereign	1955	1,572.89	20.31%
2. 6.84% GOI (MD 19/12/2022)	Sovereign	598	1,562.51	20.17%
3. 7.17% GOI (MD 08/01/2028)	Sovereign	2444	1,158.79	14.96%
4. 6.79% GOI (MD 26/12/2029)	Sovereign	3162	1,024.33	13.22%
5. 7.37% GOI (MD 16/04/2023)	Sovereign	716	52.73	0.68%
Total of Government Securities			5,362.25	69.13%
B. Privately Placed/Unlisted			NIL	NIL
C. Securitized Debt Instruments			NIL	NIL
Total of Debt Instruments			5,887.42	76.00%
MONEY MARKET INSTRUMENTS				
A. Commercial Papers (CP)			NIL	NIL
Total of CP			NIL	NIL
B. Certificate of Deposits (CD)			NIL	NIL
Total of CD			NIL	NIL
C. Treasury Bills (T-bill)			NIL	NIL
Total of T-Bills			NIL	NIL
D. TREPS *			1,714.89	22.14%
Total of Money Market Instruments			1,714.89	22.14%
Net Receivable/(payable)			143.18	1.86%
Grand Total			7,745.49	100.00%

* Cash & cash Equivalents

QUANTUM DYNAMIC BOND FUND

An Open Ended Dynamic Debt Scheme Investing Across Duration

📌 Bond Yields remained in Tight Range

Bond Market was trading in narrow range with a positive bias. The RBI announced a surprise special OMO/operation twist to purchase Rs. 100 billion worth of long maturity bond while simultaneously selling 6-Month Maturity Treasury Bills. Market activity data and RBI's weekly statistics show that the RBI has been buying treasury bills in weekly auctions. So they may continue to conduct more operation twists. This added a positive bias to the bond markets.

The 10-Year benchmark G-Sec closed the week 1 basis points lower at 6.03% vs 6.04% in the previous week. Short term rates fell more than longer term as the 3-Year G-Sec yield fell by 4 basis points in the week from 4.81% to 4.77%.

In its monetary policy the US Federal Reserve maintained status quo on policy rates and also maintained the size and pace of its asset purchases. The Fed acknowledged the sharp pickup in economic activity and faster uptick in inflation as well. But it believes inflation to be transitory; thus guided to keep monetary policy easy for long time.

The resurgence of COVID-19 has brought back uncertainty around the course of fiscal and monetary policy going forward. These would now depend on the duration and severity of this health crisis. Increased uncertainty on economic recovery will also push the potential monetary policy normalization further into the future.

A delayed policy normalization path will be favorable for bonds in the near future. However, global cues are turning incrementally unfavorable for the Indian bond markets. Given strong economic data and a vast vaccination drive, economic sentiment is upbeat in the US and many other parts of the world. Inflation is also picking up at a faster pace than anticipated.

Notwithstanding this risk, bond yields may remain in a tight range in near future supported by RBI's bond purchases. Over the medium term, inflation and potential monetary policy normalization will play a more important role in shaping the interest rate trajectory. We expect market interest rates to move higher gradually over the next 1-2 Years.

📉 Delay in Liquidity Normalization to keep Money Market Rate Low

Banking System Liquidity remain in large surplus as the amount under the RBI's reverse repo window remain over Rs. 4 trillion last week, though it has come down in the last 3 months. 3-Months Treasury Bills remain almost flat trading around 3.30%.

Given the uncertainty caused by the second wave of COVID-19, the RBI may delay the liquidity normalization. Short term money market rates could remain below the reverse repo rate for extended period.

📁 Portfolio Outlook

Quantum Dynamic Bond Fund (QDBF)

In the Quantum Dynamic Bond Fund, we have not taken any exposure in private sector companies and invested only in government securities, treasury bills and highest quality instruments issued by public sector undertakings (PSU) which are shortlisted under our proprietary credit research and review process. However, the fund does take interest rate risk depending on our assessment of the market outlook.

We continue to exploit tactical trading opportunities with the broader trading range. As on April 30, 2021 the average maturity of Quantum Dynamic Bond Fund is 3.73 years and modified duration of 2.96.

📌 Credit Exposures:


With the QLF and QDBF portfolios continuing to comprise of G-secs, T-bills and PSU securities, hence credit risk remains minimal.

Data Source: RBI

QUANTUM DYNAMIC BOND FUND

An Open Ended Dynamic Debt Scheme Investing Across Duration

Product Labeling

Name of the Scheme	This product is suitable for investors who are seeking*	Riskometer
Quantum Dynamic Bond Fund (An Open Ended Dynamic Debt Scheme Investing Across Duration)	<ul style="list-style-type: none">Regular income over short to medium term and capital appreciationInvestment in Debt / Money Market Instruments / Government Securities.	 <p>Investors understand that their principal will be at Moderate Risk</p>

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

The Risk Level of the Scheme in the Risk O Meter is based on the portfolio of the scheme as on March 31, 2021.

Disclaimer, Statutory Details & Risk Factors:

The views expressed here in this article are for general information and reading purpose only and do not constitute any guidelines and recommendations on any course of action to be followed by the reader. Quantum AMC / Quantum Mutual Fund is not guaranteeing / offering / communicating any indicative yield on investments made in the scheme(s). The views are not meant to serve as a professional guide / investment advice / intended to be an offer or solicitation for the purchase or sale of any financial product or instrument or mutual fund units for the reader. The article has been prepared on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst no action has been solicited based upon the information provided herein, due care has been taken to ensure that the facts are accurate and views given are fair and reasonable as on date. Readers of this article should rely on information/data arising out of their own investigations and advised to seek independent professional advice and arrive at an informed decision before making any investments

Mutual fund investments are subject to market risks read all scheme related documents carefully.

Please visit - www.QuantumAMC.com to read scheme specific risk factors. Investors in the Scheme(s) are not being offered a guaranteed or assured rate of return and there can be no assurance that the schemes objective will be achieved and the NAV of the scheme(s) may go up and down depending upon the factors and forces affecting securities market. Investment in mutual fund units involves investment risk such as trading volumes, settlement risk, liquidity risk, default risk including possible loss of capital. Past performance of the sponsor / AMC / Mutual Fund does not indicate the future performance of the Scheme(s). Statutory Details: Quantum Mutual Fund (the Fund) has been constituted as a Trust under the Indian Trusts Act, 1882. Sponsor: Quantum Advisors Private Limited. (liability of Sponsor limited to Rs. 1,00,000/-) Trustee: Quantum Trustee Company Private Limited. Investment Manager: Quantum Asset Management Company Private Limited. The Sponsor, Trustee and Investment Manager are incorporated under the Companies Act, 1956.